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LEBANON: Threat of More Terrorist Attacks

Extremist sentiment is growing in the Shia Muslim community, [REDACTED]

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A senior official of the primary Shia Amal organization told US Embassy officials last weekend that a mood of apprehension and anger pervades the Shia suburban slums south of the capital. Shias in Beirut with relatives living in the Bekaa Valley hold the US responsible for the recent Israeli and French bombing raids that injured or killed their kinsmen. At the same time, they fear that US forces may attack Shias in the capital's southern suburbs. [REDACTED]

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The Embassy reports that radical Shias with close ties to Iran are increasing their efforts to co-opt Shias in Beirut. New recruits are joining radical groups, including Husayn al-Musawi's breakaway Islamic Amal faction and the Hizb Allah. [REDACTED]

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Moderate Shia leader Nabih Barri is losing control of some of his subordinate leaders, who increasingly look for guidance to Tehran and Damascus. One of his subordinates warns that the next few days may be especially dangerous for US diplomats and Marines.

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Comment: Fanatical members of Islamic Amal, Hizb Allah, or an allied, pro-Iranian faction may try later this week to stage a suicide attack against elements of the Multinational Force or against a Western diplomatic residence in Beirut. This is the month of Muharram, in which Shia Muslims display religious frenzy and mourn their saints and martyrs. [REDACTED]

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Two principal days of ritual mourning coincided with the heavy sniping of US Marine positions in Beirut on 16 and 17 October. The climax of the Shia mourning period this year falls on Thursday. [REDACTED]

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USSR: Disarray in Arms Control Policymaking

The USSR's awkward effort last week to misrepresent a suggestion put forward by Soviet INF negotiator Kvitsinskiy as a US proposal raises the possibility that General Secretary Andropov's illness has weakened coordination of arms control decisionmaking.

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On 13 November Kvitsinskiy said he was authorized to tell Ambassador Nitze that, if the US would propose equal reductions of 572 warheads, the USSR would accept the proposal and defer its demand for explicit compensation for British and French systems. On 17 and 18 November, as West German officials were making public Moscow's suggestion that it was ready to drop this demand, the Soviets delivered messages in Bonn and some other NATO capitals claiming that the equal reductions proposal had come from Nitze. At the same time, the Soviet media published articles, including one by Defense Minister Ustinov, reasserting that British and French systems have to be counted in any INF agreement.

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Last Saturday, when Nitze protested to Kvitsinskiy over Soviet efforts to misrepresent the suggestion as a US proposal, the latter reasserted that the idea came from Nitze. As the shaken Kvitsinskiy abruptly left Nitze's office, he remarked to another US negotiator that "everything's finished." On Monday he told Nitze that the proposal for equal reductions was "dead" and that his instructions went no further than the offer made by Andropov on 26 October to reduce to 140 the number of SS-20 launchers opposite NATO.

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Comment: Moscow's clumsy maneuvering may have been simply an attempt to disavow the proposal once it had become public. On the other hand, Kvitsinskiy's agitation on Saturday and an earlier remark by him about protecting someone in Moscow suggest that he and possibly a superior may have exceeded instructions. Such an event in turn could reflect looser coordination of the Soviet bureaucracies involved in INF decisionmaking as a result of Andropov's illness.

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WEST GERMANY: The INF Debate

Chancellor Kohl opened the INF debate in the Bundestag yesterday by calling on the legislature to endorse INF deployments because no arms agreement has been achieved in Geneva. []

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Kohl emphasized the need to redress the military imbalance created by Soviet deployment of SS-20s and to maintain West Germany's reliability as an ally. Foreign Minister Genscher and Defense Minister Woerner attacked the Social Democrats' decision at their party congress this past weekend to oppose INF deployments and questioned their loyalty to NATO. []

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Social Democratic Party Bundestag caucus chairman Vogel noted that INF deployments are opposed by a majority of West Germans, and he accused the government of ignoring or belittling legitimate opposition. Vogel criticized the government for trying to silence dissent on INF through a tightening of demonstration laws and by initially opposing a Bundestag debate on INF. []

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Vogel, who insisted that his party remains loyal to NATO, justified the Social Democrats' opposition to deployment on the grounds that the US had not done all it could to reach an arms control agreement. He also criticized Kohl for not urging the US to be more flexible.

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Former Chancellor Schmidt, who also spoke yesterday, joined Vogel in arguing that Kohl should have pushed Washington and Moscow to endorse the "walk in the woods" formula. Although Schmidt still endorses INF deployments, he says he will not vote with the government because of the way it has handled the formula. []

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Comment: The governing parties, the Greens, and the Social Democrats will introduce resolutions at the end of the session today. Each resolution will be voted on, but only the government's can obtain a majority. It was approved unanimously yesterday by the Christian Democratic deputies, and on Sunday by 32 of the 34 Free Democratic deputies. []

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EC-MIDDLE EAST: Possible New Peace Initiative

The EC may soon consider a new independent peace initiative in the Middle East, but it is unlikely to take significant action without first consulting the US. []

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A Belgian diplomat says EC Foreign Ministers meeting in Brussels today may begin discussion of proposals for a comprehensive peace settlement in the Middle East. The proposals would be intended to update the Venice Declaration of 1980, which called for Palestinian self-determination and PLO participation in the peace process. The discussion could pave the way for EC heads of government to issue a major statement on the Middle East at the EC Summit meeting from 4 to 6 December. []

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The diplomat says the EC's interest in an independent initiative reflects fears that the reconciliation process in Lebanon will fail and that US negotiating options will narrow with the approach of the US presidential election. He adds that the EC would consult with the US even before beginning serious consideration of any new peace initiative. []

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Meanwhile, both the US Embassy in Paris and the US Mission to the UN have noted signs that France may be considering reviving the French-Egyptian initiative in the UN Security Council. It seeks to link the resolution of the crisis in Lebanon to the provision of Palestinian self-determination. A senior Egyptian official has indicated, however, that Cairo would not cooperate in any effort to revive the initiative without first consulting the US. []

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Comment: The West Europeans worry that a collapse of the US peace initiative would lead to a superpower confrontation in the Middle East and the radicalization of the more moderate Arab states. They may undertake a more active role in the Middle East next year in the hope of reducing East-West tensions and of providing support for Arab moderates. Previous EC efforts to arrange a peace process have failed, and the West Europeans are likely to proceed cautiously and emphasize UN action along the lines of the French-Egyptian initiative. []

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ARGENTINA: Status of Nuclear Program

Argentina's public claim that it has taken an important step toward command of the nuclear fuel cycle, which has not yet been confirmed, probably was made in part to protect the nuclear program from civilian changes. []

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The head of the Atomic Energy Commission says Buenos Aires plans to complete a commercial-scale gaseous diffusion plant to produce 20-percent-enriched uranium by 1985. President-elect Alfonsin has responded by publicly praising the progress of the nuclear program, but he also has reiterated his platform commitment to confine the program's future development to peaceful use. According to US Embassy sources, Alfonsin has been considering shifting control of nuclear power plants from the Atomic Energy Commission to the Ministry of Energy. []

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Comment: If Argentina has developed an indigenous uranium enrichment capability using the gaseous diffusion process, it probably has developed a small-scale facility that could produce only limited quantities of enriched uranium. Mastery of this technology, however, would improve Argentina's capability to produce weapons-grade material for nuclear explosive use. []

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The Argentines may have difficulty advancing from tests made on a pilot scale to an operating commercial-level plant. Because of the advanced technology required, the process has been mastered at great expense only by the US, UK, USSR, France, and—with Soviet assistance—China. []

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The timing of the announcement, which comes only weeks before the new government takes office, is likely to be politically motivated. The Atomic Energy Commission hopes to forestall rumored budget cuts in the nuclear program, which is already in financial difficulty, and to prevent any other moves by the new administration to alter it. Moreover, the military probably sees such an announcement as a means of repairing its image. []

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IRAQ-IRAN: Iraqi Military Activity

Baghdad claims its Air Force yesterday destroyed seven Iranian ships and downed an F-14 fighter in the area between Khark Island and the Iranian port of Bandar-e Khomeyni. The Iraqis also announced that they trapped Iranian ground forces attacking near Panjwin over the weekend and inflicted heavy losses.

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Comment

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The number of ships damaged or destroyed probably is exaggerated. As in previous such attacks, the targets probably were merchant ships.

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CHINA-WESTERN EUROPE: Support for INF

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China reportedly believes the deployments are necessary to counter the Soviet threat. A recent commentary in *People's Daily* called the deployments "imperative."

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Comment: Until recently, China has limited its comments to support for global limits on INF deployments and to criticism of what it calls the threat posed to world peace by the Soviet-US arms race. The recent information may reflect a concern that differences in NATO might lead to acceptance of a Soviet proposal on the deployment of US missiles in Western Europe without insisting on a ceiling or even a reduction in Soviet SS-20 deployments in the Far East.

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PHILIPPINES: Changes in Succession Mechanism

The ruling party decided yesterday to abolish the Executive Committee—the constitutionally designated successor to President Marcos—and agreed to restore the office of the vice presidency in 1987, when presidential elections will be held. In the interim, Speaker of the National Assembly Makalintal would become president in the event that Marcos—who is in fair health—dies or is incapacitated. Mrs. Marcos, who resigned from the Executive Committee just before the party's announcement, stated that her public life is "coterminous" with that of her husband. Marcos has approved the party's recommendations, and a proposed amendment to the constitution will be submitted to a public referendum in January. [REDACTED]

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Comment: The changes are a result of continuing pressure from the business community, the opposition, and some members of the ruling party to clarify the succession process. Nevertheless, the concessions probably will not allay concern in the business community and among international creditors. Makalintal is a Marcos loyalist with little political influence, and he would be open to an early challenge if he succeeded Marcos. The delay in reviving the vice presidency also suggests that Marcos is unwilling to remove his wife completely from the succession picture. [REDACTED]

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LIBERIA: Alleged Coup Plotters Arrested

Press reports indicate 12 military and civilian officials have been arrested for allegedly trying to topple the government. At least one of the plotters has had connections with the Soviet Embassy. Head of State Doe has indirectly linked the arrests to the recently dismissed armed forces commander General Quiwonkpa and to a "foreign mission." Quiwonkpa has been in hiding for several weeks. []

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Comment: Moscow's role—if any—is unclear, but the alleged coup attempt may have been an outgrowth of an effort by the Soviets to fan tribal animosities stirred by Quiwonkpa's ouster. Although his name may have been used as a rallying point for the plotters, it is unlikely the pro-US General was involved in a Soviet-backed move against Doe. Unless the government locates Quiwonkpa soon and clarifies his role, however, the incident could cause serious unrest in the poorly disciplined and ethnically fragmented Army, where the General has a large following. []

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POLAND: Meeting With Western Creditors

Poland met last Wednesday and Thursday with the Paris Club of Western government creditors for the first time since the imposition of martial law. The Poles blamed them for Warsaw's economic problems and asked for IMF membership, new credits, and generous rescheduling. The creditors replied that the Paris Club has authority only to reschedule official debts, and they are insisting that Warsaw cover payments overdue from 1981 before debt relief agreements for 1982 and beyond can be concluded. The next meeting is set for early January. []

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Comment: Poland's tough stance ensures that the negotiations will be protracted. The Paris Club is likely to continue insisting on a step-by-step approach, although some of the smaller creditors may be willing to compromise. Payments of obligations under the agreement signed in 1981 and of interest due on that agreement through the end of this year would cost Warsaw more than \$400 million. Preliminary data indicate that Poland could cover this amount by the end of December, even after making payments to commercial banks. []

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Special Analysis

USSR-WEST GERMANY: Prospects for Relations

The USSR values highly its political and economic relations with West Germany and will not risk serious long-term damage to these ties as a result of NATO's INF deployments. Moscow's public pressure on the issue is likely to continue beyond the Bundestag's anticipated vote in favor of INF, and the Soviets have indicated they will suspend some diplomatic exchanges with Bonn in response to the initial deployments. They do not intend to prolong the chill, however, and already are reassuring West German officials of Soviet intentions to cooperate in the future. []

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The Soviets' public criticism of the West German Government has increased steadily since July, when Chancellor Kohl reaffirmed Bonn's support for the INF dual-track decision during his visit to Moscow. To arouse anxiety in West Germany, the Soviets have warned of specific responses to INF deployments, claimed that irreversible damage will be done to West Germany's relations with East Germany and other East European countries, and cautioned against the broader implications of Bonn's alleged submission to US wishes. In addition, the USSR is almost sure to take certain "countermeasures" and other public actions designed in part to encourage West Europeans to put pressure on their governments. []

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The Soviets probably will postpone or cancel certain low-level diplomatic visits or exchanges. []

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[] Moscow also may portray continued inaction on ethnic German emigration from the USSR and other matters of West German interest as a response to INF. []

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Even so, Soviet officials began suggesting privately as long ago as Kohl's visit to Moscow that INF deployments would cause little more than a brief cooling in bilateral relations. []

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In addition, Soviet Central Committee member Zagladin told a member of Kohl's Christian Democratic Union earlier this month that the MBFR talks and the coming Conference on Disarmament in Europe (CDE)—both of which are of particular concern to the West Germans—would go forward despite INF. A Soviet delegation currently is scheduled to go to Bonn on 6 December for consultations on the CDE. [REDACTED]

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Soviet officials also have tried to reassure Bonn that West Berlin will not be a target of Soviet retaliation. [REDACTED]

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harassment of traffic into and out of West Berlin cannot be ruled out, however, especially because such actions would be designed to annoy Allied rather than West German authorities. [REDACTED]

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Economic Cooperation To Continue

For the past decade, West Germany has been the USSR's principal Western trading partner. Recent West German statistics indicate that, despite the political friction over INF, this trade has increased considerably so far this year. [REDACTED]

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Moscow evidently wants to insulate this broad economic and commercial relationship from the impact of INF. [REDACTED]

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[REDACTED] According to West German press reports, Soviet officials participating in the Soviet-West German Mixed Economic Commission session in Moscow on 11-16 November took pains to reassure their counterparts that INF would not affect bilateral economic ties. [REDACTED]

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The Soviets value the quality of goods and technology provided by the West Europeans—particularly by the West Germans, who have a major role in supplying equipment and expertise for a number of large-scale development projects in the USSR. West German firms have provided nearly half of the large-diameter pipe, many of the large turbines, and much of the management and technical know-how for the Siberian gas export pipeline, and they are manufacturing crucial parts for a Soviet-built gas pipeline turbine. In addition, the Soviets are negotiating for West German assistance on the Tengiz sour gas project and for Bonn's help in developing a coal liquefaction facility in the Kansk-Achinsk basin, an aluminum plant at Sayansk, and other large cooperative ventures. [REDACTED]

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The USSR also appreciates the political implications of this trade, particularly following West European opposition to the US embargo last year on sales of pipeline-related equipment to the USSR and East European countries. The Soviets now seem eager to assure Bonn and other Western capitals that Moscow too believes in economic business as usual despite political strains. [REDACTED]

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Future Soviet Policy

INF deployment marks the failure of Moscow's efforts over the past four years to destroy the consensus between the US and its NATO Allies on this crucial issue. The USSR's willingness to maintain constructive relations with West Germany and the other basing countries, however, demonstrates that it remains determined to divide the US and the West Europeans. [REDACTED]

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In coming months Moscow will try to preserve the political dialogue with Bonn. It will do so to protect the intrinsically valuable political and economic relationship with West Germany and to exploit opposition there to additional missile deployments and to other NATO policies. The Soviets also will want to be able to argue their own case for European security and cooperation. [REDACTED]

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